



# Building a Strategy Focused Organization

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# Objective(s)

- Terminal Learning Objective
  - Understanding a strategy-focused organization (SF0)
- Enabling Objectives
  - Recognizing an Anergystic Environment
  - Recognizing a Synergistic Environment
  - Identify the five principles (Best Practices) of a strategy-focused organization
  - Identify the key components of a strategy map

# Introduction

“A Strategy-focused organization *requires* that all employees understand the strategy and *alignment* of their day-to-day business in a way that contributes to the strategy’s success.”

## A Picture of Successful Alignment (*Synergy*)



### Key Points

- Contains strong, highly motivated athletes
- The key to their success is that they row in synchronism
- Each rower strokes powerfully but consistently with all the others
- Guided by a coxswain, who has responsibility for pacing and steering the course of action



# Terminal Objective:

Understanding a SF0

A *strategy-focused organization* utilizes a system that manages strategy with the balanced scorecard and strategy map.

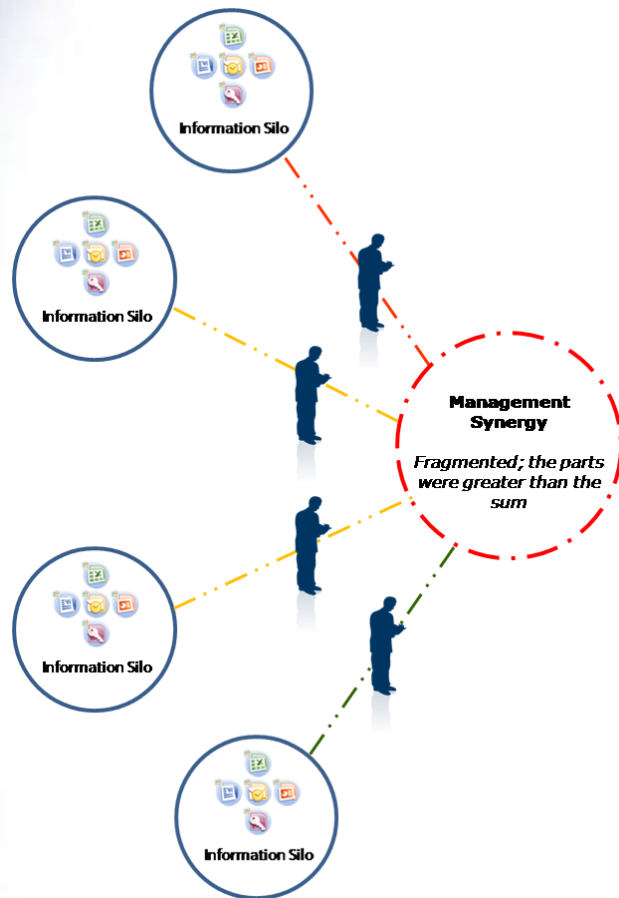
- **Strategy** means **communicating** in a way that everyone can understand ***the plan for success***
- **Focused** means **navigation** in the organization ***to align the strategy***
- **Organization** means to ***mobilize all employees to act in different ways that will link*** together across the organization



# Enabling Objective 1:

## Recognizing an Anergystic Environment

This graph illustrates many organizations during the **Industrial Age** without strategy management.



### **Key Points**

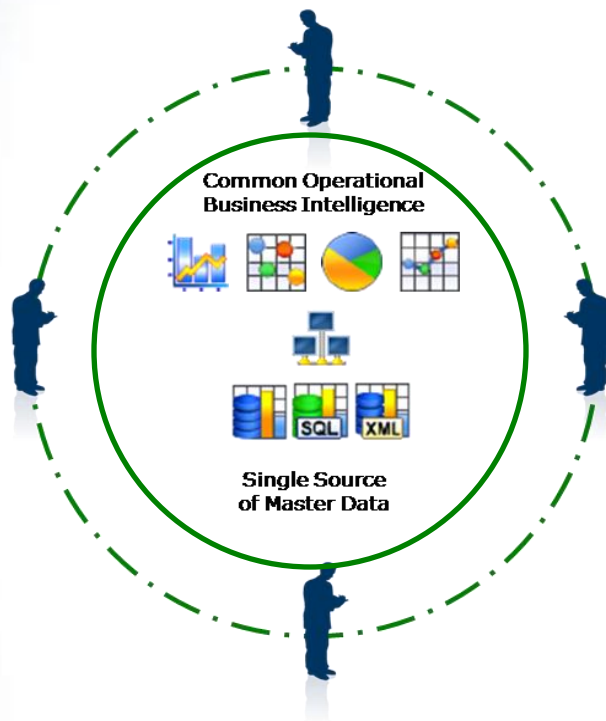
- *Business Units and Support Units execute within Information Silos*
- *Catalyst for Ad Hoc processes*
- *Difficulties developing communication and governance of processes*
- *Misalignment of assets with business processes*
- *Strained relationships between business units managers as a result of inconsistencies*
- *Lacks effective knowledge exchange between organization business units*
- *Resource sharing is very challenging*

**Inconsistent Performance Alignment**

# Enabling Objective 2:

## Recognizing a Synergistic Environment

This graph illustrates successfully aligned organizations of the **Information Age** with strategy management.



### **Key Points**

- *Single source of operational business intelligence and analytics*
- *Facilitates Enterprise Synergy through a common operating picture*
- *Creates economies of scale by sharing a system in critical support processes*
- *Ensures strategic focus through vertical and horizontal alignment*
- *Provides decision support tools by linking processes to supporting data*
- *Provides effective lines of consistencies for production and expansion*

**Consistent Performance Alignment**

A close-up photograph of several wooden chess pieces, including a king, queen, and pawns, on a checkered board. The pieces are light-colored wood, and the board has alternating light and dark squares. The image is partially obscured by a large blue circle that serves as a background for the text.

# What is Strategy?

*A strategy is **an integrated set of choices** that position a firm, in an industry, to earn superior returns over the long run.*

*Developing strategy requires:*

- ✓ a time commitment*
- ✓ critical thinking*
- ✓ an investment of resources*



# Enabling Objective 3:

Identify the five principles (Best Practices) of a strategy-focused organization (1 of 5)

## Best Practice

### **1. Mobilize change through Executive Leadership**

*The single most important condition for success is the ownership and active involvement of the executive team.*

## Rationale

*The executives must establish a sense of urgency, create a guiding coalition, and develop a vision and a strategy.*

## Result(s) / Benefit(s)

*Mobilization, Governance Process, Strategic Management System.*





# Enabling Objective 3:

Identify the five principles (Best Practices) of a strategy-focused organization (2 of 5)

## Best Practice

### **2. Translate the strategy to Operational Terms**

*Provides a framework to describe and communicate the strategy.*

## Rationale

*Translates the strategy into a logical architecture.*

## Result(s) / Benefit(s)

*Strategy Maps and Balanced Scorecards.*



# Enabling Objective 3:

Identify the five principles (Best Practices) of a strategy-focused organization (3 of 5)

## Best Practice

### **3. Align the Organization to the Strategy**

*Synergy is the over arching goal of any organizations goal.*

## Rationale

*For organizational performance to become more than the sum of its parts, business units strategies must be linked and integrated.*

## Result(s) / Benefit(s)

*Corporate Role, Business Unit Synergies, Shared Service Synergies.*



# Enabling Objective 3:

Identify the five principles (Best Practices) of a strategy-focused organization (4 of 5)

## Best Practice

### **4. Make strategy everyone's everyday job**

*Strategy focused organizations require that all employees understand the strategy and conduct their day-to-day business in a way that contributes to the success of the strategy.*

## Rationale

*The strategy and scorecard must be communicated holistically instead of cascading objectives through the chain of command, as is normally done.*

## Result(s) / Benefit(s)

*Strategic Awareness, Personal Scorecards, Balanced Compensation.*



# Enabling Objective 3:

Identify the five principles (Best Practices) of a strategy-focused organization (5 of 5)

## Best Practice

### **5. Make strategy a continual process**

*Link the strategy to the budgeting process, simplify management meetings to review the strategy, adopt a process for learning the strategy.*

## Rationale

*Use the ideas and knowledge generated by organizational personnel to constantly fine-tune the strategies.*

## Result(s) / Benefit(s)

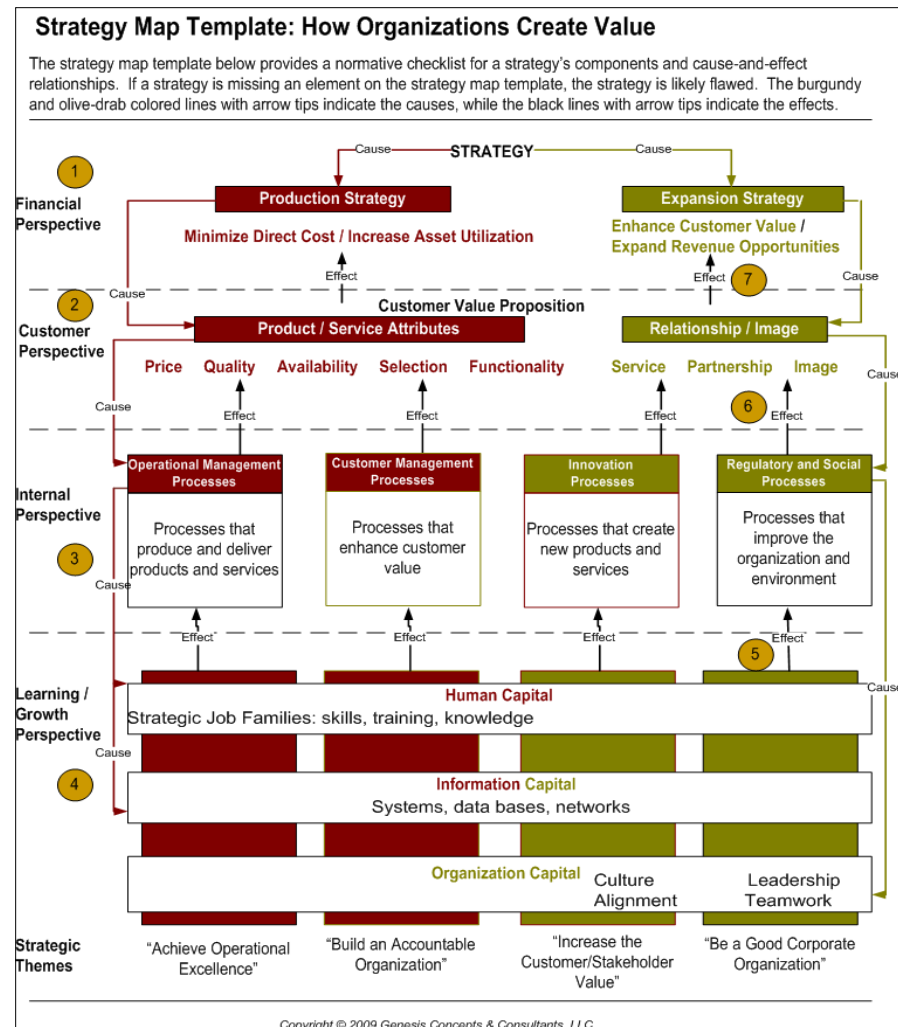
*Link Budgets and Strategies, Analytics and Information Systems, Strategic Learning.*



# Enabling Objective 4:

## Identify the key components of a strategy map

A Strategy Map is a diagram that describes how an organization creates value by connecting strategic objectives in an explicit cause-and-effect relationship with each other across the four BSC perspectives (financial, customer, internal processes, and learning & growth).





# Recap of Objective(s)

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# Discussion